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DRUG STORE NEWS

Vol. 7/No. 6 **Serving chains wholesalers and high-volume independents for 56 years.** Published by Lebhar-Friedman Inc. March 18, 1985

Perry buys 27 Michigan Apex stores

By Tim O'Brien

PONTIAC, Mich. — Perry Drugs has signed a definitive agreement to purchase the 27 Michigan Apex drug stores, greatly strengthening its market share in the highly competitive Detroit metropolitan market.

The cash acquisition increases to 175 the number of Perry drug stores operating in eight states. Nineteen of the Apex stores are located in the Detroit Metro Area. With those, and the three Sherman Drug stores Perry acquired in January, the company has increased its metro store count to 56, an increase of 65% in the past three months.

Perry's main competition in the $900 million Detroit drug store market comes from Revco, Arbor and F&M.

The estimated $15 million to $17 million deal does not include Apex's Novi, Mich., distribution center or its seven Cunningham drug stores in Florida. Apex reported sales slightly in excess of $50 million for 1984.

Analysts and industry sources see this as a key acquisition for Perry.

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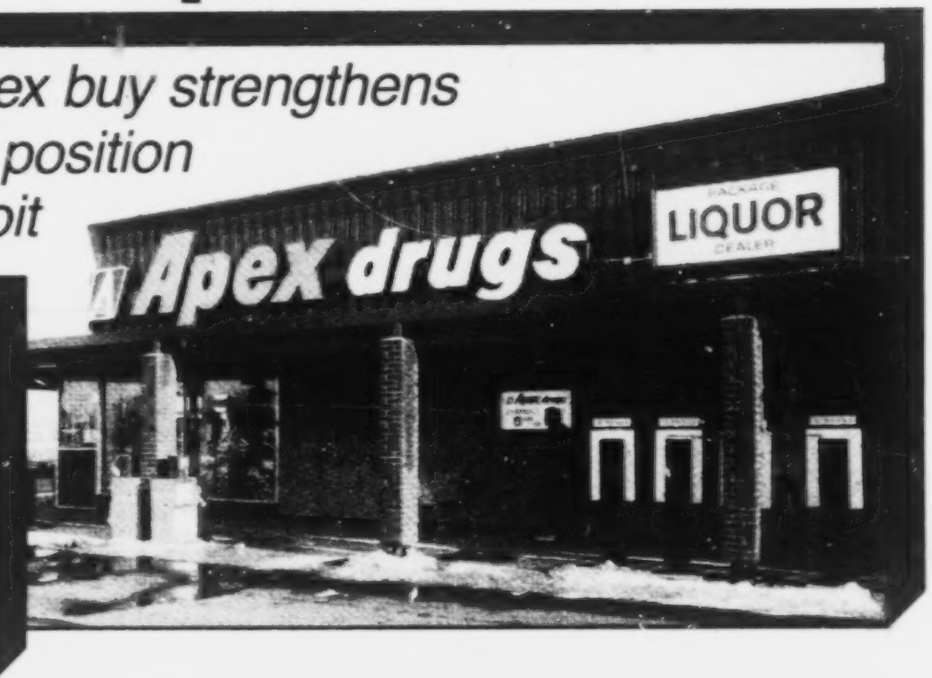
The Apex buy strengthens Perry's position in Detroit



Facts about Apex

Annual sales	$50M	Avg. size	8,000 sq. ft.
Total stores	27	Open 24 hrs.	4
Metro Detroit stores	19	Rx computers	27
Employees	750	% sales in Rx	20%

Kroger goal after buying Hook: slow the decline in earnings

By Jim Ricchiuti

INDIANAPOLIS — How much autonomy Hook Drug will have with its new parent, Kroger Co., will hinge heavily on management's ability to reverse the faltering performance of the 314-unit chain.

Kroger will not tamper with much of Hook's operations, including the widely known Hook name. However, top management, led by J. Douglas Reeves, chairman and president, will be under pressure to halt the earnings slide. Earnings in 1984 are projected to be down about 8%.

News analysis

By most standards, Hook has been one of the industry leaders in recent years. In 1983, the most recent fiscal year in which complete data is available, Hook's 34.4% gross margin, 20.8% return on investment and $1.1 million in average sales per store ranked high on the list of leading drug chains.

Fiscal 1984 has been another matter. Through the first three quarters of the year net income was down approximately 18%. Management has attributed much of last year's problems to higher than expected expansion costs. But questions remain.

One area that Kroger will most certainly take a hard look at is Hook's expense ratio. In

Continued on page 58

Four Sav-On execs fired as Skaggs tightens belt

ANAHEIM, Calif. — Sam Skaggs has wielded the long-awaited ax at Sav-On with the dismissal of four top execs: Sam Parker, president; Carl Vitalie, vp-professional services; Gerald Hight, vp-merchandising, and Dale Short, vp-distribution.

None of the four are being replaced. Instead, their duties are being absorbed by others. Dick George, president of Osco, is doubling as Sav-On's president; Russ Coon and Dan Ramirez, pharmacy buyers-supervisors, are dividing Vitalie's responsibilities; Larry LaRock, recently named vp-marketing, assumes Gerald Hight's duties, and Ed McManus, former director of warehouse operations who replaced Dale Short, is now wearing both hats.

The shake-up is not surprising in view of Sav-On's lackluster performance during the past several years. Jewel, which bought the chain late in 1979 and then sold out to American Stores last year, tried to revive earnings by slashing labor costs and dramatically cutting back inventory. Costs did come down, but so did sales, as out-of-stocks multiplied and housekeeping became a problem.

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RTE NEWS....LATE NEWS....LATE NE

A SETTLEMENT WAS REACHED in the lawsuit against SmithKline Beckman Corp. and the National Wholesale Druggists' Association filed by Northwestern Drug, a wholesale subsidiary of Pay 'n Save, and Velocity Hospital Group. The suit arose last April after SmithKline & French and other drug manufacturers terminated their agreements to supply legend drug products to Northwestern because the wholesaler had been purchased by a retail company and then NWDA dropped Northwestern as a member for the same reason. Under the agreement, SKF will supply Northwestern with products for Velocity's more than 100 hospital accounts, and NWDA will readmit Northwestern as a member.

NEWSPAPER

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H&BA is paying off See page 38

Peoples hosting Video To Go

WASHINGTON — After three months of operation, Peoples drug stores has discovered what may be the most risk-free way of entering the burgeoning home video business.

Customers at any one of Peoples' approximately 150 Washington area stores can rent a movie from a catalog of more than 1,400 titles. The arrangement requires no inventory investment by Peoples, nor does the chain lease valuable floor space to the supplier, Videx Video.

In one of the more unique twists in the growing home video business, Peoples is providing its Washington area stores as distribution points in Videx's Video To Go program.

Videx's club members select movies from catalogs mailed periodically to their homes. Members then call the Video To Go hotline, give their membership and credit card numbers and order the movies. The next day they simply pick up the tape at their registered Peoples drug store.

Peoples receives a commission on each tape rented from its stores. Moreover, the chain benefits directly from increased store traffic.

According to John Manton, Peoples' corporate vp, the program is "working out well," since the chain began testing the video departments last year.

"Video To Go is a novel approach," said Manton. "It was a business we weren't sure we wanted to take the risk and get into.

With Video To Go, Peoples has avoided the risks and labor costs involved in processing orders and handling payment. Tapes are usually delivered to a Peoples drug store before 1 p.m. the next day after orders are placed. Customers either pick up the movie at Peoples' pharmacy or photo department.

In addition, 40 Peoples locations offer same-day service. Customers who call in their orders by 5 p.m. can receive their tapes by 7:30 that same night.

Annual membership fees for the club are $17.95. Six-month fees are $9.95. Movie rental charges range from $2 a day to as low as $1 a day during promotional periods.

Peoples is supporting Video To Go with in-store signage,

Continued on page 58

Unfair price-competition cited

Court rule on HMO status angers druggists

WASHINGTON — Organized pharmacy groups vowed to continue the fight to curb unfair Rx competition from HMOs in the wake of a key legal setback in the U.S. Supreme Court.

The setback came as the result of the high court's refusal to reconsider the status of the Kaiser Foundation's Health Maintenance Organization as a charitable institution.

The effect of the decision was to uphold a Federal Appeals Court ruling in the bitter dispute between the Portland Retail Druggists Association and Kaiser over the application of the Robinson-Patman antiprice discriminations act to HMOs.

The central issue in that case involved whether the Kaiser HMO Rx dispensaries may legally compete with retail pharmacies after purchasing drugs at prices lower than those available to drug stores.

Although the Federal R-P Act outlaws such discrimination, the Federal Appeals Court ruled that Kaiser is a "charitable institution" under Federal law and thus exempt from the price discrimination provision of Robinson-Patman. The Supreme Court let the Appeals Court ruling stand.

Charles West, executive vp of the National Association of Retail Druggists (NARD), said his organization was "disappointed but not discouraged" by the setback.

"There are other ways to fight the decision," West said. "We are looking at legislation to amend the 1938 Nonprofit Institutions Act so that only those organizations truly servicing charitable parties would be excluded."

At the American Pharmaceutical Association, president Jack Schlegel also expressed "great disappointment," but pointed out that the high court's refusal to hear the case did not represent a decision on the merits of the issue.

"In our view," he said, "the continued existence of community pharmacies providing readily available pharmaceutical services to the public is seriously threatened."

Ronald J. Streck, vp of government affairs for the National Wholesale Druggists' Association, said NWDA was also looking at possible legislative and strategic remedies.

"We believe," Streck said, "this new wrinkle further promotes discriminatory pricing practices and hinders fair competition."

The Kentucky Pharmacists Association, one of the state pharmacy groups that filed a "friend of the court" brief supporting the Oregon pharmacists, agreed with NARD's West on seeking a change through the Legislature.

"We may have lost on the Supreme Court level," said Paul F. Davis, executive director, "but we have to find other ways to change the laws. Congressional action seems to be the best route."

News in brief

Arbor acquires Detroit Dale

TROY, Mich. —Arbor Drugs has acquired the three Dale Drug stores in metropolitan Detroit, bringing the total number of Arbor stores to 40. Two of the stores, located in St. Clair Shores and Union Lake, have opened new local markets for Arbor, and the Warren location is the second in that area for the company.

Pay 'n Save appoints Shefveland

SEATTLE — Pay 'n Save Corp. has named Ken Shefveland to the newly created post of director of data processing operations services. Shefveland, former vp/manager of computer processing services, at the Seattle First National Bank, will be responsible for Pay 'n Save's new data processing center.

Lloyd opens deep-discount drug

POUGHKEEPSIE, N.Y. — Lloyd Shopping Centers Inc. has opened its first deep-discount drug store here—a 20,000-sq.-ft. unit called Big Al's Deep Discount (B.A.D.D.). The company also operates three 100,000-sq.-ft. superstores in southern New York State.

Drug Systems revenues up

PORTSMOUTH, Ohio — Drug Systems Inc., which operates White Drug Enterprises, reported that third-quarter net income dropped 39% to $584,000 from $954,000. Net revenues for the quarter, ended Jan. 5, 1985, increased 5% to $28.9 million from $27.5 million during the same period in 1984. Through the first three quarters of the year, net earnings at Drug Systems were down 28% to $1.14 million from $1.6 million last year. Net revenues for the first three quarters of the year rose 38% to $81.7 million from $59.3 million in 1984, reflecting the White Drug acquisition during the second quarter last year.

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Vol. 7, No. 6 March 18, 1985

Evans and Hairston promoted at Dallas' Tom Thumb/Page

DALLAS — Jack Evans Jr. has been named president of Tom Thumb/Page, replacing Tom Hairston, who has been promoted to chief operating officer of the Cullum Cos., parent of the food-drug chain. Hairston retains his title of executive vp of Cullum.

Jack Evans Sr., who had been coo of Cullum in addition to being president, has now added the ceo title relinquished by Charles Cullum, who remains chairman of the board.

Evans Jr., who was executive vp and general manager of Tom Thumb/Page before his promotion, joined the company as an assistant manager in 1966.

Hairston joined Cullum in 1957 as an assistant store-director. In 1972 he was promoted to executive vp of Tom Thumb/Page and in 1977 president. Two years later, Hairston assumed the duties of executive vp of Cullum while remaining president of Tom Thumb/Page.

Evans Sr. was hired by the company in 1966 as executive vp of Tom Thumb/Page and last year became president and coo of Cullum.

Other high-level promotions include T. K. Arledge, former vp and general manager of Food Depot, to senior vp-operations at Tom Thumb/Page; Jim Stiles, former corporate controller, to vp and chief financial officer at Cullum, and Mike Chessmore to vp and controller of Tom Thumb/Page.

Cullum Cos. was started in 1948 by chairman Cullum and his brother Robert.

N.Y. manufacturer to acquire major interest in Pantry Pride

FORT LAUDERDALE, Fla. — Senior management at Pantry Pride Inc., the parent company of Adams Drug, will recommend to its board of directors the sale of a controlling interest in the company to MacAndrews & Forbes, a New York-based manufacturing concern.

The terms of the proposed sale call for Pantry Pride to issue as much as $50 million in 9.5% convertible preferred stock to MacAndrews & Forbes. The shares could be converted into common stock at $5.625 a share. MacAndrews & Forbes would receive voting rights on the shares as well as majority representation on the Pantry Pride board.

MacAndrews & Forbes, a privately held company that manufactures cigars, confectionery products and photo processing materials, already owns 8% of Pantry Pride's common stock outstanding.

In addition, the company has an option to purchase the 10% stake in Pantry Pride owned by members of the Devon family, which acquired the shares last year following the sale of the Devon general merchandise chain to Pantry Pride. Late last year a group of dissident shareholders, led by the Devons, staged an unsuccessful proxy battle to gain control of Pantry Pride.

A spokesman for Pantry Pride said that if proposed sale is approved by shareholders, MacAndrew & Forbes could control as much as 35% of the food, drug and specialty retailer.

The company official added that MacAndrew & Forbes plans to retain the current management at Pantry Pride.

Pantry Pride acquired Adams Drug in November as part of a diversification program designed to take advantage of tax loss carryforward.

The company said that it intends to use proceeds from stock sale to finance future acquisitions.

Suppliers win price concessions

WASHINGTON — Drug store industry suppliers will receive almost blanket antitrust immunity to engage in a wide range of distributional trade restraints under controversial new Justice Department enforcement guidelines released late last month.

Although the new Federal case-selection standards do not directly apply to fair trade-style resale price maintenance violations, critics of Reagan Administration "laissez-faire antitrust policies" contend that the justice guidelines will encourage manufacturers to dictate retail prices for their products.

In announcing the new case-selection procedure, justice antitrust chief J. Paul McGrath said that the guidelines are necessary to "help reduce the uncertainty associated with enforcement of the antitrust laws" in order to "encourage the use of lawful vertical [trade restraint] practices" by manufacturers.

Among other things, the guides establish a series of "safe harbors" which allow suppliers to impose a variety of "nonprice" distributional restrictions on retailers, including:

- **"territorial restrictions"** which effectively prevent authorized dealers from transshipping the manufacturers products to drug chains or unauthorized retailers in other markets;
- **"customer allocation"** restraints which may be used to achieve the same objective by prohibiting wholesalers and retailers from selling to certain "classes" of customers;
- **"exclusive dealership"** requirements preventing retailers from carrying products made by competing manufacturers, and
- **"tying arrangements"** under which pharmaceutical manufacturers and other industry suppliers refuse to sell key products to retailers unless other unwanted goods (or

Continued on page 57

FINANCIAL

Longs ends fiscal year with 10% income rise

WALNUT CREEK, Calif. — Longs Drug Stores announced that unaudited net income for the 53-week fiscal year ended Jan. 26 increased 10.2% to $40.1 million, or $3.77 a share, from $36.4 million, or $3.43 a share, in the previous, 52-week year.

Unaudited sales for the year increased 13.3% to $1.38 billion from $1.21 billion in the prior year.

At the same time, the company announced a 2-for-1 stock split effective at the close of business March 12. Shareholders of record on that date will automatically be issued one additional share for each one held.

For the 14-week fourth quarter, unaudited net income increased 12% to $12.7 million, or $1.20 a share, from $11.4 million, or $1.07 a share, in the comparable.

Unaudited sales for the quarter increased 19% to $416.8 million from $349.8 million in the prior period.

The board of directors declared a quarterly dividend of 32¢ a share on a presplit basis, to holders of record at the close of business March 12, payable April 9.

During the fiscal year, Longs opened 13 stores.

Sales up but income down at Begley Co.

RICHMOND, Ky. — Begley Company reported that net income for the third quarter ended Dec. 31 declined slightly to $547,248, or 99¢ a share, from $568,844, or $1.03 a share, for the comparable year-earlier period.

Sales and other operating revenues for the quarter increased 8.8% to $19.2 million from $17.6 million a year earlier.

The company said that earnings were lower because it did not have "the quantity of tax credits available to it that it had in the previous year's quarter."

In addition, the company reported, sales and other operating revenues were lower in December than projected—"a situation that many other retailing companies found themselves encountering during this period."

For the nine months, net income declined to $640,583, or $1.16 a share, from $725,637, or $1.32 a share, for the same period in 1983.

Begley operates 47 retail outlets in Kentucky and has 123 Big B, Key and Superior drug cleaning stores in nine states. During the third quarter, the company opened four dry cleaning units and no drug stores.

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION				
		From 02/08/85 - 02/25/85							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. rate		Last X-Dvd. Date				Last Fiscal Year (Per Share)	
Name	Symbol	High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct			Latest P/E Ratio	Amt.	Yield		Last Fiscal Year Revenue	Last Fiscal Year Earnings	Current Ratio	Long Term Debt	Common Stock Equity
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$
Chain Store transactions																										
Am Stores	ASC	55.25	49.00	53.25	3.75	7.58	55.25	26.50	.31	.29	-.78	-8.75	3.61	.60	N 17.9	45.0	1.5	13.5	.64	1.2	12-19-84	7983.7	117.9	1.5	12.39	15.26
Begley Co	BGLY	16.00	15.75	16.00	.25	1.59	16.00	14.50	-.09	.39	-1.01	8.97	1.33	-.30	N -20.4	-8.0	1.1	13.7	.68	4.3	01-14-85	61.5	.7	1.9	15.55	18.26
Big B	BIGB	16.25	14.13	15.88	-.38	-2.31	16.50	8.88	.91	1.34	4.08	22.53	.53	.50	N 454.5	19.0	3.0	26.0	.00	.0	09-21-83	117.0	3.5	2.3	.18	3.88
Drug Sys	DRGS	5.25	4.38	5.13	1.00	24.24	7.00	3.25	1.01	4.48	6.14	42.95	.56	-.79	N -66.3	NC	2.1	12.8	.00	.0	01-25-84	82.3	1.7	3.0	1.28	5.84
Eckerd, Jack	ECK	32.88	29.00	29.25	-2.75	-8.59	32.88	20.25	-.01	-2.06	-1.12	39.29	2.27	.36	Q 18.3	5.0	3.3	12.6	1.00	3.4	12-10-84	2622.5	85.4	2.0	2.52	16.47
Fay's Drug	FAY	12.50	11.38	11.50	-1.00	-8.00	13.00	8.38	.24	-.34	-2.81	-8.32	.60	.12	N 22.2	47.0	2.6	17.4	.20	1.7	03-18-85	312.4	8.1	1.7	1.78	3.82
Genovese Drug	GDX	15.50	14.50	14.63	-.88	-5.65	16.63	11.13	.26	.18	-2.75	26.42	.96	.21	N 25.3	111.0	2.0	14.1	.20	1.4	12-19-84	193.8	3.9	1.9	2.83	4.92
Hook Drugs	HOOK	36.50	33.38	35.88	2.13	6.30	36.50	18.00	2.42	.25	4.84	-42.46	2.01	-.26	N -12.7	6.0	2.7	20.2	1.00	2.8	01-09-85	320.5	8.7	1.7	2.75	10.38
Longs Drg Strs	LDG	53.00	49.50	51.50	.50	.98	55.00	34.00	.21	.12	.13	-34.89	3.43	.36	N 10.9	10.0	3.0	14.1	1.28	2.5	11-28-84	1214.4	36.4	1.9	.00	21.13
Medicare Glaser	MGCO	6.25	5.25	5.75	-.50	-8.00	9.00	3.50	.32	-.06	-5.06	14.51	.43	-.07	S -16.6	63.0	1.4	16.4	.00	.0	00-00-00	76.7	1.1	1.6	1.12	3.49
Pay N Save	PAYN	22.75	22.75	22.75	.00	.00	23.63	14.38	-.24	.38	2.13	8.33	2.02	-.23	S -13.2	.0	2.5	15.2	.60	2.6	08-20-84	1220.5	30.1	2.0	9.01	14.37
Pay Less NW	PAY	27.00	26.25	27.00	.13	.47	27.50	14.50	-.22	.29	-10.78	23.43	1.35	.34	S 29.8	26.0	2.9	18.2	.34	1.3	12-17-84	852.9	24.7	1.8	4.62	7.19
Perry Drug	PDS	21.88	20.63	21.50	.25	1.18	22.00	12.38	.50	.12	-1.34	35.36	1.26	.24	F 23.5	17.0	2.1	17.1	.28	1.3	12-21-84	370.3	7.6	1.5	2.40	10.60
Revco Drug	RDS	27.88	25.50	25.88	-1.63	-5.91	33.25	22.50	.15	-.70	1.46	-22.51	2.54	.18	S 8.4	22.0	4.2	11.3	.80	3.1	02-26-85	2227.5	93.4	2.1	1.08	12.22
Rite Aid Corp	RAD	30.88	27.63	30.00	.38	1.27	30.88	17.50	.19	.09	.58	18.90	1.47	.32	N 24.0	11.0	5.1	18.2	.50	1.7	01-08-85	1223.3	62.2	2.3	.49	7.68
Thrifty Cp	TFD	22.50	21.13	21.25	-1.13	-5.03	22.88	11.50	.01	-.49	-.32	7.44	1.40	.27	Q 23.2	21.0	2.1	14.9	.60	2.8	02-04-85	1299.3	27.9	1.5	4.46	7.72
Walgreen Co	WAG	54.13	51.88	53.75	.25	.47	54.25	28.63	.42	.67	-1.28	16.46	2.78	.50	Q 21.0	33.0	3.1	18.7	.88	1.6	02-11-85	2744.6	85.4	1.7	1.73	13.52
Wholesaler's transactions																										
Bergen Bruns	BBCA	27.00	25.00	26.00	-.88	-3.26	28.50	19.00	.00	.82	.57	-12.23	1.57	.08	Q 5.1	23.0	1.2	15.9	.32	1.2	01-28-85	1703.4	19.6	1.6	1.08	11.11
Cardinal Distrb	CDIC	18.25	17.25	18.00	.63	3.60	18.25	12.00	.51	-.02	.27	-59.79	1.01	1.09	N NC	NC	1.1	16.5	.02	.1	01-28-85	243.3	2.6	1.8	1.01	6.50
Durr Fillauer	DUFM	15.00	14.63	14.75	.00	.00	15.25	10.25	.22	.43	-2.86	26.88	.80	.13	N 17.1	21.0	1.9	16.6	.16	1.1	11-27-84	260.8	5.0	2.3	2.03	6.80
McKesson Cp	MCK	39.63	37.63	38.00	-1.13	-2.88	40.38	32.38	-.21	.32	7.00	44.36	3.78	-.42	N -10.7	-1.0	1.6	10.9	2.40	6.3	02-25-85	4260.0	68.7	1.4	10.45	30.25
Foxmeyer Cp	FOXM	29.00	28.25	28.25	-.50	-1.74	29.00	20.00	.55	-.18	-1.63	14.96	1.27	1.22	N 141.8	122.0	1.1	13.6	.00	.0	00-00-00	464.2	5.2	2.0	3.95	11.86
Ketchum	KCH	16.38	15.00	15.75	.88	5.88	17.31	10.09	-.25	.30	8.98	-7.56	.77	-.50	S -54.3	90.0	.3	37.5	.00	.0	09-24-84	245.1	.8	1.5	6.37	6.74
Owens & Minor	OBOD	15.00	13.75	14.75	.50	3.51	15.00	11.25	.07	-.27	10.56	-33.93	1.41	.05	N 3.9	24.0	1.2	11.1	.36	2.4	12-10-84	255.2	3.0	2.8	5.07	11.69
Spectro Indus	SPO	30.88	28.50	30.00	.88	3.00	30.88	15.50	.05	.79	1.95	9.45	1.78	.74	N 47.7	53.0	1.8	13.1	.14	.5	12-28-84	395.4	7.2	1.7	2.46	8.88
Manufacturer's transactions																										
Abbott Labs	ABT	49.00	46.00	47.50	.13	.26	49.00	36.75	.17	-.15	-.31	-5.93	3.34	.48	F 16.7	28.0	13.0	14.2	1.20	2.5	01-09-85	3104.0	402.6	1.9	4.00	11.71
Am Home Prod	AHP	57.88	55.13	56.75	.75	1.34	57.88	46.75	.02	.35	-.41	4.79	4.00	.45	N 11.5	15.0	12.9	13.1	2.90	5.1	02-06-85	4856.5	627.2	3.0	.00	13.14
Baxter Travenol	BAX	14.88	14.00	14.25	-.50	-3.39	18.63	11.75	.02	.28	-.55	-20.11	.21	-1.33	F -86.3	-3.0	1.6	67.9	.33	2.3	12-03-84	1800.4	29.1	1.7	1.60	8.17
Block Drugs Co	BLOCA	30.50	30.50	30.50	.00	.00	31.25	24.28	-.16	.39	2.89	55.83	3.18	.38	N 12.5	15.0	10.0	8.9	1.00	3.3	02-25-85	238.2	23.9	2.3	2.34	20.08
Bolar Pharm	BLR	33.88	29.50	32.38	-1.63	-4.78	35.88	20.13	.96	1.72	4.17	-30.04	1.15	.18	N 18.7	69.0	19.2	28.4	.05	.2	02-08-85	25.5	4.9	4.9	.00	4.76
Bristol-Myers	BMY	55.88	53.38	53.63	-1.38	-2.50	55.88	43.00	.02	-.29	-2.11	-2.99	3.45	.45	F 15.0	20.0	11.3	15.5	2.00	3.7	12-28-84	4189.4	472.4	2.4	.71	13.99
Carter-Wallace	CAR	34.50	30.50	31.13	-2.38	-7.09	34.50	19.38	.77	-1.43	.74	-15.36	2.37	.31	N 13.4	32.0	5.7	11.9	.52	1.7	02-04-85	323.1	18.4	2.4	1.69	21.87
Cooper Labs	COO	16.38	15.63	15.63	-.50	-3.10	27.00	10.38	.26	.17	-1.01	6.59	-.12	-.63	F -123.5	NC	-1.3	NE	.00	.0	03-12-84	155.9	-2.0	1.6	.61	11.81
Forest Labs	FRX	20.00	17.38	17.88	-1.00	-5.30	24.38	11.25	.09	-1.25	2.25	3.88	.54	.03	N 5.5	50.0	14.8	31.4	.00	.0	01-14-83	19.6	2.9	8.3	.28	5.42
ICN Pharm	ICN	10.25	9.25	9.50	-.25	-2.56	11.38	5.50	-.35	-.73	-2.20	21.01	.22	-.11	N -44.0	41.0	5.1	67.9	.00	.0	00-00-00	37.0	1.9	4.3	.20	4.34
Key Pharm	KPH	11.88	10.25	10.75	-.75	-6.52	17.25	8.00	-.05	.22	2.54	-25.13	.51	.18	N 40.9	71.0	14.8	17.3	.20	1.9	03-11-85	127.3	18.8	2.1	1.16	1.67
Lilly Eli Co	LLY	76.38	72.25	75.13	2.25	3.09	76.38	53.00	.21	.91	1.35	6.26	6.13	.79	N 13.4	12.0	15.1	11.3	3.20	4.3	02-06-85	3033.7	457.4	1.9	1.23	28.86
Lee Pharm	LPH	8.75	7.00	7.25	-1.38	-15.94	9.63	2.13	3.81	.55	4.06	-40.54	-.49	.23	N NE	-92.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	2.8	.41	1.53
Marion Labs	MKC	54.00	51.25	53.00	-.75	-1.40	54.50	27.75	.41	.30	-2.96	28.75	1.24	.49	S 48.0	59.0	10.6	35.1	.52	1.0	03-14-85	226.4	24.1	2.4	.04	7.05
Merck & Co	MRK	99.63	96.25	99.50	3.63	3.78	99.63	78.25	-.01	.70	1.00	4.94	6.71	.61	F 10.0	6.0	13.8	14.8	3.20	3.2	12-03-84	3559.7	493.0	1.7	5.21	32.92
Morton Thiokol	MTI	29.88	27.63	29.38	.75	2.62	31.38	19.97	-.17	.37	1.58	-7.61	2.16	.39	S 20.3	25.0	5.5	12.7	.64	2.2	02-22-85	2001.5	109.8	1.5	2.94	12.50
Mylan Labs	MYLN	18.00	15.88	17.00	-.38	-2.16	18.00	4.63	.91	.09	.87	-39.33	.20	.11	N 36.6	121.0	12.7	41.5	.05	.3	02-19-85	36.9	4.7	5.4	.10	.76
Newport Pharm	NWPH	6.50	5.88	6.00	-.63	-9.43	7.25	2.75	-.50	-.16	-1.34	-2.20	-.21	-.58	S -111.5	-37.0	-26.0	NE	.00	.0	00-00-00	7.7	-2.0	2.6	.22	.93
Pfizer Inc	PFE	40.75	37.63	38.13	-2.50	-6.15	42.38	29.38	-.38	-.86	.72	-17.62	3.08	.35	F 12.8	21.0	13.2	12.4	1.48	3.9	01-28-85	3854.5	507.9	2.1	3.03	13.67
Reid Prov Labs	REID	5.13	4.88	5.00	-.25	-4.76	5.25	2.75	.64	.33	-1.19	-21.73	.12	-.04	S -25.0	99.0	6.7	41.7	.04	.8	12-10-84	13.4	.9	3.1	.02	.92
Robins, AH	RAH	23.50	20.88	22.25	.25	1.14	24.38	12.00	-.42	1.71	-1.69	-6.26	2.40	-.98	N -41.3	9.0	10.3	16.0	.76	3.4	11-19-84	563.5	58.2	3.2	1.36	14.69
Rorer Group	ROR	31.00	26.00	30.50	3.50	12.96	34.13	24.00	-.12	1.40	1.67	21.45	2.08	.06	F 2.9	5.0	8.5	14.7	1.12	3.7	02-04-85	522.1	44.3	2.0	2.18	10.43
Scherer RP Co	SCHC	11.63	10.25	10.75	-.63	-5.49	14.50	8.63	.15	-.98	2.96	50.69	.52	-.29	S -36.2	-5.0	2.3	21.1	.32	3.0	12-12-84	171.7	4.0	1.9	4.83	11.14
Searle, GD	SRL	59.50	56.25	57.13	.00	.00	65.50	37.50	-.43	.36	-1.53	-45.08	3.24	.20	F 6.5	19.0	13.0	17.6	.52	.9	02-04-85	1245.8	161.6	2.4	3.62	14.85
Squibb Corp	SQB	52.88	49.75	51.50	-.13	-.24	55.25	37.50	-.35	.19	.79	-6.65	3.31	.37	N 11.5	10.0	9.8	14.4	1.60	3.1	02-08-85	1768.9	173.3	2.4	3.86	23 24
Sterling Drug	STY	28.38	27.25	27.50	-.50	-1.79	30.00	23.75	-.29	.05	-.66	18.90	2.37	.13	F 5.8	5.0	7.8	11.6	1.16	4.2	02-07-85	1827.3	143.4	2.7	1.44	14.96
Syntex Corp	SYN	55.63	52.13	54.25	2.00	3.83	55.63	37.75	.06	.32	-1.81	2.20	4.08	-.45	Q -10.1	22.0	14.7	13.6	1.92	3.5	02-08-85	916.5	134.6	2.1	5.36	18.81
Thompson Med	TM	18.38	15.88	17.13	.75	4.58	26.50	13.88	-.12	-.55	4.72	-20.30	2.20	.55	F 33.3	62.0	10.8	7.8	.40	2.3	12-19-84	197.2	21.2	3.2	.00	5.85
Upjohn Co	UPJ	76.25	71.13	73.50	.63	.86	76.25	45.00	-.09	.32	1.50	26.60	5.67	.39	F 7.3	.0	8.0	13.0	2.56	3.5	01-04-85	2179.1	173.3	2.2	18.02	34.74
Warner-Lambrt	WLA	37.63	35.75	36.38	-.75	-2.02	37.88	28.75	-.22	.29	-4.11	9.87	2.81	.30	F 11.9	5.0	7.1	12.9	1.48	4.1	02-04-85	3166.7	223.9	1.9	7.53	17.75
Zenith Labs	ZENI	30.25	27.00	27.75	.25	.91	30.25	12.00	1.18	-.49	5.53	-24.98	.73	-.26	N -31.7	58.0	7.8	49.6	.00	.0	00-00-00	32.1	2.5	4.6	1.12	5.12

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes:

NA - Not Applicable
NC - Not Calculable
NE - Negative Earnings
NM - No Meaningful Figure
Q - First Quarter
S - First 6 Months
N - First 9 Months
F - Fiscal Year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

Rx/OTC news

PHARMACY Rx

Cough/cold tops doctors' recommendations

Most OTC product recommendations by pediatricians are for cough/cold remedies, analgesic and vitamins.

That was one finding of a survey conducted by Medical Marketing Conference, a division of Market Measures Inc.

The nationally projectable survey of 100 pediatricians revealed that they recommend a wider variety of products in the cough and cold category than in any other classification. It also showed that 97% recommend at least one OTC analgesic and 92% a vitamin supplement for their patients.

It has long been recognized by pharmacists that pediatricians' product recommendations have a significant influence on buying habits of their customers.

According to the National Disease and Therapeutic Index, 84 million patient visits were made to pediatricians last year. The number of patient visits per day for the average children's physicians was just over 22, and 47% of those visits were by children through the age of 2. Children 3 years old through 9 accounted for another 32% of all visits.

A leading medical publication recently indicated that 99% of the patients visiting pediatricians will follow their recommendations for OTC products.

In the Market Measures survey, pediatricians were asked to evaluate 14 product categories and indicate which products they recommended and the average number of times a week they made that recommendation.

The category with the largest variety of products was cough/cold, with a choice of 19 products. The smallest category was teething products, with two dominating the category.

It is estimated that 21 million visits were made to pediatricians last year for respiratory problems, sore throat, or the common cold. Visits for ear problems, usually prompting recommendations for analgesics, measured 11 million.

Cough/cold

Pediatricians recommend a greater variety of products in the cough/cold category than any other OTC grouping.

The report uncovered 19 cough/cold products recommended by anywhere from 1% of the pediatricians to as many as 87%.

Triaminic, a product marketed primarily for use in fighting colds in children, lived up to its reputation by topping the list of most recommended cough/cold products.

The survey revealed that 86% of the pediatricians questioned recommended Triaminic in their office practice to help combat a cough or cold.

The Dorsey product attained the highest number of recommendations per week for the average physician—a total of 9.44 times.

Besides its child-oriented marketing campaign, Triaminic is available in several combinations. It may be purchased as a cough formula, an expectorant or a cold syrup.

Rivaling Triaminic for recommendation positioning is Robins' Robitussin products.

Robitussin was recommended by 80% of the pediatricians in the study. On the average, a Robitussin product was recommended by a single pediatrician 8.16 times a week.

Robitussin, like Triaminic, is available in several cough/cold combinations. It is, however, marketed to a larger audience that includes adults as well as children.

Dropping in as the third most recommended cough/cold product by pediatricians is Sudafed. The survey showed Sudafed as the most recommended product by the doctors, mentioned by 87% of the physicians. It is recommended by the average doctor

(Continued on page 45)

OTC's pediatricians recommend most

Custom relief for every kind of minor mouth pain— that's why Orajel® is America's #1 selling

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Continuous high impact consumer and professional advertising on national television and in print make the Orajel line turn over fast.

Orajel—the top selling line

Rx/OTC news

PHARMACY

Continued from page 44

7.5 times a week.

Sudafed owes much of its popularity among pediatricians to its lack of side effects. Because it is a decongestant containing no antihistamine, the major side effect of drowsiness is not present.

Three Rx-to-OTC products made the list in the cough/cold category. They were Parke Davis' Benylin and Schering's Afrin and Drixoral. Of the three, only Afrin is available in a specially formulated dose for children.

Brand	Manufacturer	% pediatricians recommending	Avg. no. times/week recommended
Analgesic recommendations			
Children's Tylenol	McNeil	**96%**	19.66
Tempra	Mead-Johnson	**76**	11.35
Children's Bayer	Glenbrook	**48**	4.39
Children's Panadol	Glenbrook	**40**	2.70
St. Joseph's Children's	Plough	**40**	3.65
Liquiprin	Norcliff-Thayer	**39**	2.72
Children's Anacin-3	Whitehall	**26**	1.85
Antidiarrheal recommendations			
Pedialyte	Ross Labs	**86%**	6.98
Kaopectate	Upjohn	**47**	2.86
Pepto-Bismol	P&G	**45**	1.82
Infalyte	Pennwalt	**33**	1.75

Brand	Manufacturer	% pediatricians recommending	Avg. no. times/week recommended
Cough/Cold recommendations			
Sudafed	Burroughs-Wellcome	**87%**	7.50
Triaminic	Dorsey	**86**	9.44
Robitussin	A. H. Robins	**80**	8.16
Novahistine	Merrell-Dow	**72**	5.16
Chloraseptic	P&G	**62**	2.73
Benylin	Parke-Davis	**61**	3.72
Neo-Synephrine	Winthrop	**58**	2.82
Afrin	Schering	**49**	1.84
Dorcol	Dorsey	**45**	2.93
Trind	Mead-Johnson	**42**	2.63
Drixoral	Schering	**36**	1.16
Cremacoat	Vicks	**22**	0.93
CoTylenol	McNeil	**19**	1.21
Cheracol	Upjohn	**14**	0.47
Dristan	Whitehall	**11**	0.39
Dristan Spray	Whitehall	**7**	0.26
NTZ	Winthrop	**5**	0.37
Efficol	Block Drug	**1**	0.09

Analgesics

There is no contest in the OTC analgesics category. Children's Tylenol easily grabbed the No. 1 position, beating out its nearest competitor by almost 2 to 1.

McNeil's Tylenol is recommended by 96% of the pediatricians. On average, it is recommended by a single pediatrician 20 times a week, far more than any other OTC product covered in the study.

Its nearest competitor, Mead Johnson's Tempra, is recommended by 76% of the doctors and averages 11 recommendations a week by a single physician.

Acetaminophen, the active ingredient in Tylenol and Tempra, has long been a favorite of pediatricians. It has become even more popular because of aspirin's widely publicized link with the sometimes fatal Reye Syndrome in children.

Tylenol edged out Tempra because of extensive advertising to the adult as well as the children's market.

Tempra, promoted almost exclusively as a children's analgesic by Mead Johnson, is primarily advertised to pediatricians and not the consumer.

Diaper rash

Probably one of the most common questions asked of pediatricians is what to use for a diaper rash. The study showed that 84% of the doctors recommend a diaper rash or cleansing product.

Desitin, manufactured by Lemming-Pacquin, a division of Pfizer, received the highest percentage of recommendations, with 79% of the doctors suggesting the product on an average of eight times a week.

Other diaper rash products high on the pediatricians' list are A&D Ointment (68%), Vaseline (52%) and Caldesene (49%).

Among the cleansing products or wipes, Wet Ones are the ones most recommended by the doctors.

Brand	Manufacturer	% Pediatricians recommending	Avg. no. times/week recommended
Disposable diaper recommendations			
Pampers	P&G	**24%**	1.63
Luvs	P&G	**15**	0.93
Huggies	Kimberly-Clark	**12**	0.96
Curity	Colgate	**5**	0.20

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Rx/OTC news

PHARMACY Rx

Pharmacists profit from doctor recommendations

Skin

Once a prescription-only product, Upjohn's Cortaid with active ingredient cortisone dominates the general skin-rash product category.

Sixty-nine per cent of the pediatricians recommend the Rx-to-OTC switched product for their patients an average of four times a week.

The only other cortisone-containing OTC product on the list, CaldCORT, received only 17% of the doctor recommendations. The great difference in the two products can only be credited to Upjohn's marketing and advertising.

The second most recommended skin-rash product is Parke-Davis' Caladryl.

In total, 86% of the pediatricians surveyed recommend some kind of skin rash product for their patients.

Brand	Manufacturer	% pediatricians recommending	Avg. no. times/week recommended
Chewable vitamin recommendations			
Poly-Vi-Sol	Mead-Johnson	56%	5.46
Flintstones	Miles	39	1.85
Vi-Daylin	Ross	33	2.20
Smurf	Mead-Johnson	23	1.47
Centrum Jr.	Lederle	18	0.46
Bugs Bunny	Miles	5	0.15
Life Stage	Vicks	3	0.11
Pac-Man	Rexall	2	0.06
Pediatric vitamin drops			
Poly-Vi-Sol	Mead-Johnson	79%	8.06
Tri-Vi-Sol	Mead-Johnson	71	7.76
Vi-Daylin	Ros	42	4.27

Vitamins

The survey shows that 80% of the pediatricians recommend at least one OTC chewable vitamin product. Capturing the top position is Mead-Johnson's Poly-Vi-Sol, with 56% of the pediatricians recommending it, and the average pediatrician recommending the product five times a week.

Miles laboratories, capitalizing on the popular cartoon show The Flintstones, sees its Flintstones Chewable Vitamins recommended by 39% of the doctors, the second highest vitamin recommendation.

One-third of the physicians recommend Ross' Vi-Daylin on the average of twice a week.

More pediatricians recommend OTC vitamin drops than chewable vitamins.

Poly-Vi-Sol, a multiple children's vitamin containing the "B" vitamins, is the most recommended vitamin drop, with 79% of the pediatricians mentioning it.

Tri-vi-sol, the same as Poly without the "B" vitamins, comes in a close second, with a 71% recommendation.

OTC's pediatricians recommend

Dental

Pediatricians would rather leave the choice of what toothbrush to use to dentists. Less than 20% of the pediatricians recommend toothbrushes for their patients.

Among those recommended, Oral B received the highest number of endorsements, with 10% of the doctors making it their choice.

Nuk, known for many baby products including pacifiers, received only 5% of the doctor recommendations.

Like toothbrushes, toothpaste is not high on the pediatricians' recommended list. Only about 25% recommend any brand of toothpaste. Crest received the highest vote of confidence with 17% of the baby doctors giving it the nod. Close behind are Aim, Colgate and Aqua-Fresh with 12%, 11% and 10%.

In contrast to toothbrushes and toothpaste, the pediatricians do make recommendations when it comes to teething pain.

Dominating the market is Del Laboratories' two teething products, Orajel and Num-Zit. Orajel is recommended by 48% of the doctors and Num-Zit by 26%. However, the frequency differential between Orajel and Num-Zit is small. Orajel is mentioned to patients an average of four times a week by each pediatrician while Num-Zit gets three mentions a week.

Brand	Manufacturer	% Pediatricians recommending	Avg. no. times/week recommended
Baby food recommendations			
Gerber	Gerber	28%	3.80
Beechnut	Beechnut	24	1.71
Heinz	Heinz	20	1.34

Antidiarrhea

In the OTC antidiarrheal category, the products are divided into two subcategories: electrolyte replacement and antidiarrheal.

Between the two electrolyte-replacement products, Ross Labs' Pedialyte is recommended by pediatricians almost three times as many times as its competitor, Pennwalt's Infalyte.

Pedialyte is recommended by 86% of the pediatricians, compared to 33% for Infalyte. The average pediatrician recommends Pedialyte seven times a week, while Infalyte is mentioned twice a week.

In the antidiarrheal category, the competition is much stiffer. Upjohn's Kaopectate edged out Procter & Gamble's Pepto-Bismol. The study showed 47% of the pediatricians recommend Kaopectate while 45% recommend Pepto-Bismol.

Laxatives

The study shows that pediatricians on average are not high on laxatives for their patients.

While 63% said they would recommend the most popular laxative, Fleet Enema, it is recommended only a little over one time a week by the average pediatrician.

Slightly more common are recommendations for stool softeners, a somewhat gentler product without any laxative effect. In this case, Colace by Mead-Johnson is the choice of most. The product is recommended by 56% of the physicians an average of twice a week.

In total, 57% of the pediatricians surveyed recommend some kind of an OTC laxative for their patients.

Correction

The price for Zovirax capsules was incorrectly reported in the Feb. 18 story, "F.D.A. O.K.'s capsule form of antiherpes drug." The correct average wholesale price to the pharmacist for a bottle of 100 Zovirax capsules 200mg is $51.50.

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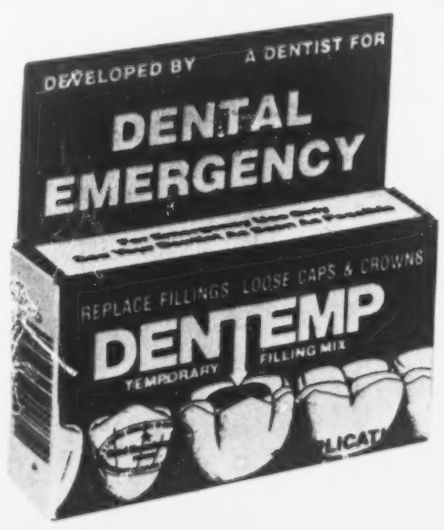

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C5150-2

Merchandiser: Buyers converge on show—p. 15

Pharmacy: Pitt school open, thanks to drug chains—p. 25

Special Report: The 100 best-selling over-the-counter drugs—p. 31

NHMA INTERNATIONAL HOUSEWARES EXPOSITION

DRUG STORE NEWS®

Vol. 7/No. 7 **Serving chains, wholesalers and high-volume independents for 56 years.** Published by Lebhar-Friedman Inc. April 1, 1985

FoxMeyer's sales soar

Source: Company reports *For the first nine months of the current fiscal year.

Prosperous FoxMeyer will acquire McPike

DENVER — FoxMeyer Corp. has signed a letter of intent to acquire the drug wholesaling and pharmacy computer operations of McPike Inc., a closely held drug wholesaler.

The terms of the deal were not disclosed. However, sources close to FoxMeyer said the company was paying $60 million in cash and another $20 million to $25 million in assumed liabilities.

The acquisition thrusts FoxMeyer into a position as the leading drug wholesaler in western Missouri and Iowa. Moreover, it provides FoxMeyer with a 300,000-sq.-ft. distribution center that is widely acknowledged to be the highest volume drug wholesaling center in the country.

Based in Kansas City, Mo., McPike is projected to generate approximately $225 million to $250 million through its one and only distribution center for the fiscal year ending April 30. McPike's other revenue source, Campbell Development, a Colorado-based real estate development company, was not included in the purchase agreement.

FoxMeyer will finance the acquisition through a $75 million offering of convertible debentures, due 2010.

Although FoxMeyer enjoys a leading market position in Kansas, Nebraska, Oklahoma, Arkansas and parts of Illinois, it had been unable to penetrate McPike's key operating ar-

Continued on page 45

New look, prices at Total Plus renew Dart's deep-discount aim

RICHMOND — Dart Drug is reviving its five-year-old experiment with deep-discount drug stores.

Under the leadership of Dart's chairman Al Towle, who acquired the 78-unit company last June, Dart has remodeled all five of its Total Plus deep-discount drug stores, restocked them with 13,000 everyday sku's plus "every decent brand we can buy on deal," repriced them at 30% to 50% below the local competition, and launched a brand new television, radio and print campaign to build visibility for the mini-chain.

Towle says his goal is to double Total Plus's average $3 million to $4 million sales per store "within the year." With the ad campaign just a few weeks old as *Drug Store News* went to press, sources for the company said they had achieved that for the month.

Towle also says that he intends Total Plus to be Dart's growth vehicle for "all future stores opened out of our home market." Dart, which had total sales of about $220 million for its July 1984 fiscal year, expects to top $300 million in sales by the end of calendar '85.

The Dart conventional and combination drug stores will remain the growth vehicle for the Maryland and Washington, D.C. areas, where Dart competes with Peoples and Gray Drug Fair for market dominance, but Total Plus will be the expansion vehicle in Richmond and all future new markets.

"Deep-discount drug stores are today's most cost-effective vehicle for gaining presence in

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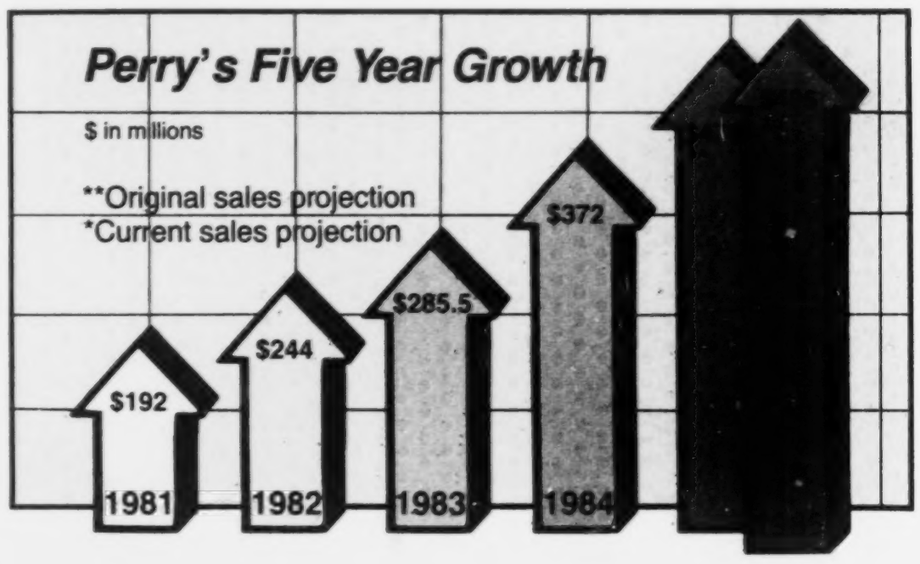

Kole named Perry drug division chief

By Tim O'Brien

TROY, Mich. — Projecting that 1985 sales will reach close to the "magical" half-billion dollar mark, Perry Drug chairman and ceo Jack Robinson told shareholders at Perry's annual meeting last month that the year will be devoted to strengthening the markets the company already serves.

The strengthening includes restructuring the company into three divisions—drug stores, auto parts and health care—and giving more control over those divisions to the executives in charge.

As part of the management reorganization, Robinson announced that Mickey Kole, Perry's senior vp of store operations, will head the drug store division.

Perry president Don Fox currently runs the auto parts division, and Alvin Wander, Perry's executive vp and treasurer, directs the health care division.

According to Robinson, the reorganization is important as it will clearly define the re-

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TE NEWS....LATE NEWS....LATE NE

AMERICAN STORES reported that year-end net income was up 57% to $185.5 million, or $5.71 a share, compared with $117.9 million, or $3.61 a share, the previous year. Sales for the 53-week year, ended Feb. 2, totaled $12.1 billion, a 52% increase. Fourth-quarter net earnings soared 96% to $89.6 million, or $2.76 a share, from $45.8 million, or $1.46 a share. Sales for the 14-week period were up 84% to $3.98 billion. The results included 71% of the recently acquired Jewel Cos. from June to November 1984, and 100% thereafter.

FAY'S DRUG reported that net income for the year ended Jan. 31 rose 7% to $8.7 million as sales advanced 17% to $366.7 million. Fourth quarter net earnings were down 12% to $3.3 million as sales rose 19% to $109.4 million.

NEWSPAPER

Big B eyes Tennessee in expansion move D2

New cigarettes introduced for women, Hispanics Page 15

Revco executives pleased with discount price test

TWINSBURG, Ohio — With the recent "disappointing" results from their third quarter still being digested, Revco's management is hopeful that its new price discounting program, now being tested in 230 stores, will be successful enough to expand.

Revco's senior vice president of marketing Marc Dworkin reported "encouraging results" for the program's recently ended fourth week. For the first few weeks of the promotion, bad weather, including wind and snow storms, discouraged traffic and kept Revco from getting any clear reading on how the promotion was going.

However in mid-March, just as Revco announced that its third quarter earnings were down 42% while sales had only risen 6%, the Dworkin's and their management

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BEST AVAILABLE COPY

Warehouse units: cure for Eckerd video ills?

By Bruce Buckley

NEW YORK — Jack Eckerd Corp. has reached into its bag for some new medicine to revive its ailing American Home Video division.

The hoped-for cure centers on two new warehouse-style VideoConcepts stores that the company planned to open in Denver on March 22.

Stewart Turley, chairman and ceo, told financial analysts here that Eckerd is counting on the higher visibility and heavier promotional firepower of the warehouse stores to enhance the fortunes of the standard VideoConcepts stores, not only by bolstering their promotional image, but also by acting as a centralized depot for inventory.

Turley likened the concept to a "mother ship" feeding its satellites. If it is successful, he said, it will be rolled out to other markets in the 30 states in which AHV operates more than 200 video stores. Turley said the Denver experiment would weigh heavily in any decision about the future of the video chain.

At the analysts' meeting Turley also said that the company planned to sell off its 102-store Eckerd Apparel chain "within the next few weeks."

Since its acquisition in 1981, American Home Video has been a highly visible wart on Eckerd's otherwise relatively unblemished fiscal record. Because of its high profitability in the past, Eckerd had always been a darling of Wall Street. But the company's insistence on sticking with a division that has been a continuing drain has turned analysts into harriers seeking divestiture.

In the most recent quarter, AHF operating profits were up 17% to $1.4 million, but Turley conceded that the division was still lagging behind projections and was not expected to do better than break even for the year.

The warehouse stores are aimed at providing a much-needed shot in the arm. The two test stores, one 10,000 and the other 12,000 sq. ft., are located in two Denver suburbs, Englewood and Aurora. Eckerd has chosen two high-traffic strip center sites dominated by price club-type outlets and plans to promote the stores with weekly ads in the Denver market. Standard VideoConcepts stores, in contrast, are smaller and are located in shopping malls, which gives them a pricier image.

Although the new stores' prices on national brands will match those of the standard mall stores, Turley said the warehouse outlets will carry a wider variety of private label goods, which will enable the stores to "be competitive with anybody in the marketplace."

Jonathan Ziegler, an analyst for Dean Witter, said the concept "seems to make sense. The present stores are too small. The new stores will allow them to stock more inventory and give the customers a better choice."

As for a possible divestiture, Turley again said that the company will continue to "operate and develop that business" as long as there is a hope for a "respectable roi. Frankly, it's been a disappointment over the past three years."

News in brief

NWDA sponsors mktg. conference

ATLANTA — About 1,400 wholesalers and manufacturers attended the National Wholesale Druggists' Association's marketing Conference here earlier this month.

In addition to the 171 OTC and H&BA manufacturers who exhibited at the show, there were also 114 pharmaceutical exhibits plus a series of workshops on HMO's and PPO's, the emergence of pharmacy departments within convenience stores, creative new marketing ideas to sell health & beauty aids in drug stores, and strategies for reversing the decline of OTC sales within conventional drug stores.

SupeRx puts punch in sr. mgmt.

CINCINNATI — SupeRx Drugs strengthened its senior management team with the addition of Jim Whitticom, formerly senior vp of merchandising at Carls Drug. Whitticom joins SupeRx with no specific title, according to a company spokesman. Initially, Whitticom will be assigned to the chain's marketing department. Meanwhile, a spokesman for Carls said that no successor to Whitticom has been named.

Gray Drug Fair breaks even in '84

CLEVELAND — Gray Drug Fair just managed to break even last year, according to company reports issued by Sherwin-Williams, parent of the struggling drug chain. For the year ended Dec. 31, 1984, Gray Drug earned only $82,000 on sales of $623 million. The 99% decline in earnings in 1984 was attributed to more aggressive promotional activity, distribution inefficiencies and increased inventory shrinkage. Sales at the 423-unit drug chain advanced 7.8%.

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Eckerd creates caring image in 'Good Health' commercial

By Tim O'Brien

CLEARWATER, Fla. — "Eckerd Drugs dedicates the next 60 seconds to the most important thing in your life . . . [pause] . . . your health!"

So starts the soft-sell, award-winning television commercial entitled "Good Health."

The commercial was created to help position Eckerd Drug stores as a warm, caring company. "We wanted the viewer to feel that Eckerd was a company with an overriding concern for the customer," says Craig Carpenter of W. B. Doner & Company, the creators of the spot.

"It's a feel-good spot," says Eckerd's supervisor of broadcast, Kevin Weinman. "It's a message from the Eckerd pharmacist that says you can always come to our pharmacy for help."

The spot is a tribute to healthy living.

The action takes place at a wedding reception with dance music playing softly in the background. A young girl notices a lonely elderly man sitting by himself, being ignored by everyone. She goes up to the band leader and asks him to play something fast. She could be his granddaughter.

As the music begins, she grabs the man's hand, pulls him to the dance floor, a smile crosses his face, and they start dancing.

All the others stop and watch as the old man and young girl boogie across the floor.

As the crowd joins the jubilant man in a dance line, the

Continued on page 45

Television spot aired in southeast and southwest won first place for retail commercials at the National Retail Advertising Conference.

Eckerd eyes deep-discount entry

NEW YORK — Eckerd Drug "may very well test" a deep-discount drug-store format, according to Stewart Turley, chairman and ceo of the Jack Eckerd Corp.

Turley told analysts here that the company has been following the deep-discount phenomenon "for some time. We think it's a viable niche."

But Turley added that nothing definite had been decided, and Eckerd does not see deep-discount stores "in any way replacing or superseding chain-drug stores.

"I see a lot of chains experimenting with the concept, but I see nobody embracing it widely," the chief exec noted.

Turley said Eckerd had faced some competition from deep discounters in Florida and Texas, but had not been hurt by them. "We get right down next to them in price," he said. "They're going to fight to get our market share."

Turley and Harry Lambert, president of Eckerd Drug, also disclosed the following during the analysts meeting.

The drug chain has begun to roll out a new higher gondola profile (54 in. to 68 in.), which has been tested in its experimental "race track" store in Florida and other units. The additional height allows a better merchandise presentation, according to Lambert. It also helps increase turnover.

NW still faces problems after SKF suit is settled

SEATTLE — Despite the settlement of Northwestern Drug/Velocity Hospital Group's lawsuit against SmithKline Beckman and the National Wholesale Druggists' Association, Northwestern still faces several challenges.

Under the settlement, SmithKline has agreed to supply SKF pharmaceutical products to Northwestern for Velocity's hospital accounts, but will continue to withhold products for Northwestern's retail accounts, including the wholesaler's parent company, Pay 'n Save. SmithKline's policy is not to supply products to wholesalers owned by a retail company.

As a result of this provision, Northwestern must continue to buy single-source, nonhospital drugs from other wholesalers and bill its retail customers at the same price Northwestern charged before the cutoff by SmithKline. That means that Northwest-

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Correction

The manufacturer of NumZit was incorrectly reported in the March 18 issue of *Drug Store News*. The correct manufacturer of the baby teething product is the Purepac Pharmaceutical Co.

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Vol. 7, No. 7 April 1, 1985

FINANCIAL

Medi Mart: Expansion damages profit picture

BOSTON — The Stop & Shop companies reported that a "very ambitious expansion schedule" for Medi Mart had a negative impact on the drug chain's operating profits during fiscal 1984.

The company opened 10 drug stores during the year, bringing the total to 64 in five states. "Drug stores have a relatively long maturation period," the company noted in a release on its 1984 performance, "and do not make a substantial contribution to profit until the third or fourth year of operation."

Medi Mart's financial results are lumped together with the company's other, smaller general merchandise businesses, which include Charles B. Perkins Stores and Almy's Department Stores. Stop & Shop breaks out only the financial performances of Bradlees department stores and its chain of supermarkets.

The smaller general merchandise group, which contributed 5.7% to Stop & Shop's 1984 sales and 1.7% to operating profits, registered a decline in operating profits for the 53-week fiscal year ended Feb. 2. Profits were $2 million compared to $3.4 million for the previous 52-week year. Sales for the group were up slightly to $185.1 million from $182.7 million.

For the 13-week fourth quarter, operating profits for the group increased to $2.6 million from $2 million in the 12-week previous period, while sales rose to $49.9 million from $48.5 million.

For the company as a whole, net earnings increased 8% to $54.8 million from $50.8 million in the previous year. Earnings per share this year were $4.60 on a primary basis and $4.12 fully diluted.

Genovese income up 7%

MELVILLE, N.Y. — Genovese Drug Stores registered a 7.2% increase in net income for the year ended Feb. 1 and a 13.7% gain in sales.

Profits for the 52-week year rose to $4.1 million, or $1.03 a share, from $3.9 million, or 96¢ a share, in the previous 53-week year. Sales increased to $220.3 million from $193.8 million.

For the 12-week fourth quarter, profits declined slightly to $1.69 million, or 42¢ a share, from $1.71 million.

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION				
		From 02/22/85 - 03/11/85							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change											Last Fiscal Year (Per Share)	
					Change		52-Week									5-Year Annual Growth Rate	Profit Margin	Latest P/E Ratio	Indicated Dvd. rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio		
Name	Symbol	High	Low	Close	Amt	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.		Pct			Amt.	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$		%	%	-	$	%	-	$ Mil	$ Mil	-	$	$
Chain Store transactions																										
Am Stores	ASC	56.00	52.13	54.50	.00	.00	56.00	26.50	.40	-.13	-1.16	-3.59	3.61	.60	N	18.0	45.0	1.5	13.8	.64	1.2	12-19-84	7983.7	117.9	1.5	12.39	15.26
Begley Co	BGLY	16.75	15.75	16.00	.00	.00	16.75	14.50	.13	.87	-.45	10.00	1.33	-.30	N	-20.4	-8.0	1.1	13.7	.68	4.3	01-14-85	61.5	.7	1.9	15.55	18.26
Big B	BIGB	16.63	15.25	16.63	.63	3.91	16.63	8.88	.66	1.50	-2.61	34.81	.53	.50	N	454.5	19.0	3.0	27.3	.00	.0	09-21-83	117.0	3.5	2.3	.18	3.88
Drug Sys	DRGS	5.63	5.13	5.25	.00	.00	6.25	3.25	1.28	.30	4.36	-61.76	.56	-.25	N	-38.5	NC	2.1	13.1	.00	.0	01-25-84	82.3	1.7	3.0	1.28	5.84
Eckerd, Jack	ECK	31.75	29.00	29.63	-.13	-.42	32.88	20.25	-.24	-1.24	.36	-30.65	2.27	.26	S	12.1	5.0	3.3	12.3	1.04	3.5	03-11-85	2622.5	85.4	2.0	2.52	16.47
Fay's Drug	FAY	12.00	10.75	11.00	-.88	-7.37	13.00	8.38	-.41	-.88	-2.80	10.69	.60	.12	N	22.2	47.0	2.6	16.7	.20	1.8	03-18-85	312.4	8.1	1.7	1.78	3.82
Genovese Drug	GDX	14.75	13.88	14.13	-.63	-4.24	16.63	11.13	-.20	.61	-.13	30.99	.96	.21	N	25.3	111.0	2.0	13.6	.20	1.4	12-19-84	193.8	3.9	1.9	2.83	4.92
Hook Drugs	HOOK	36.00	35.75	36.00	.13	.35	36.50	18.00	.90	.41	-7.76	-16.44	1.87	-.14	F	-7.0	6.0	2.3	19.3	1.00	2.8	01-09-85	350.9	8.1	1.7	2.75	10.38
Longs Drg Strs	LDG	54.88	50.25	51.63	-.25	-.48	55.00	34.00	.22	.13	-.26	19.93	3.43	.36	N	11.0	10.0	3.0	14.2	1.28	2.5	11-28-84	1214.4	36.4	1.9	.00	21.13
Medicare Glaser	MGCO	5.75	5.25	5.50	-.25	-4.35	8.50	3.50	-.27	-.51	-7.57	40.30	.43	-.19	N	-43.2	102.0	1.4	22.0	.00	.0	00-00-00	76.7	1.1	1.6	1.12	3.49
Pay N Save	PAYN	22.88	22.75	22.75	.00	.00	23.63	14.38	-.02	.42	-2.70	-2.94	2.02	-.23	S	-13.3	.0	2.5	15.2	.00	.0	08-20-84	1220.5	30.1	2.0	9.01	14.37
Pay Less NW	PAY	27.00	26.50	26.75	.25	.94	27.50	14.50	-.04	.42	-13.77	28.65	1.35	.34	S	29.8	26.0	2.9	18.1	.34	1.3	12-17-84	852.9	24.7	1.8	4.62	7.19
Perry Drug	PDS	22.13	18.13	19.75	-1.38	-6.51	22.13	12.38	-.05	1.01	.26	23.94	1.26	.24	F	23.5	17.0	2.1	15.7	.28	1.4	02-21-85	370.3	7.6	1.5	2.40	10.60
Revco Drug	RDS	26.38	24.88	25.13	-.88	-3.37	32.88	22.50	-.31	-.03	-.68	-21.65	2.54	.18	S	8.5	22.0	4.2	10.9	.80	3.2	02-26-85	2227.5	93.4	2.1	1.08	12.22
Rite Aid Corp	RAD	33.50	29.75	31.25	.75	2.46	33.50	17.50	.33	-.83	-2.06	20.43	1.47	.32	N	24.1	11.0	5.1	18.9	.50	1.6	01-08-85	1223.3	62.2	2.3	.49	7.68
Thrifty Cp	TFD	22.25	21.13	21.13	-.13	-.59	22.88	11.50	-.19	-.37	-1.43	-28.74	1.40	.27	Q	23.3	21.0	2.1	14.8	.60	2.8	02-04-85	1299.3	27.9	1.5	4.46	7.72
Walgreen Co	WAG	54.63	48.25	49.13	-4.38	-8.18	54.63	28.63	.01	-.98	1.24	16.28	2.78	.50	Q	21.0	33.0	3.1	17.1	.88	1.8	02-11-85	2744.6	85.4	1.7	1.73	13.52
Wholesaler's transactions																										
Bergen Bruns	BBCA	26.63	25.00	25.63	.38	1.49	28.50	19.00	-.18	.51	3.19	-16.27	1.57	.08	Q	5.1	23.0	1.2	15.6	.32	1.2	01-28-85	1703.4	19.6	1.6	1.08	11.11
Cardinal Distrb	CDIC	18.00	17.50	17.50	-.50	-2.78	18.25	12.00	.29	-.41	-8.64	48.28	1.01	.12	N	12.4	NC	1.1	16.1	.02	.1	01-28-85	243.3	2.6	1.8	1.01	6.50
Durr Fillauer	DUFM	15.25	14.75	14.88	.13	.85	15.25	10.25	.02	-.25	-1.59	17.90	.92	.12	F	15.0	21.0	1.7	16.2	.16	1.1	02-25-85	341.7	5.8	2.3	2.03	6.80
McKesson Cp	MCK	41.50	37.63	41.38	2.88	7.47	41.50	32.38	.10	1.73	4.01	78.19	3.78	-.42	N	-10.7	-1.0	1.6	11.8	2.40	5.8	02-25-85	4260.0	68.7	1.4	10.45	30.25
Foxmeyer Cp	FOXM	29.75	28.25	28.50	-.38	-1.30	29.75	20.00	.23	-.30	-3.22	54.27	1.27	1.22	N	141.9	122.0	1.1	13.7	.00	.0	00-00-00	464.2	5.2	2.0	3.95	11.86
Ketchum	KCH	15.88	14.63	15.38	-.13	-.81	17.13	10.09	-.04	.85	1.84	-3.52	.77	-.46	N	-49.5	100.0	.3	32.7	.00	.0	09-24-84	245.1	.8	1.5	6.37	6.74
Owens & Minor	OBOD	15.25	14.50	15.00	.50	3.45	15.25	11.25	.07	.26	2.76	-47.85	1.43	.02	F	1.4	84.0	1.2	10.5	.36	2.4	12-10-84	306.7	3.6	2.8	5.07	11.69
Spectro Indus	SPO	16.88	14.94	15.88	.75	4.96	16.88	8.69	.42	-.42	-4.05	-23.30	.89	.36	N	46.2	53.0	1.8	13.9	.09	.6	02-27-85	395.4	7.2	1.7	1.23	4.44
Manufacturer's transactions																										
Abbott Labs	ABT	50.13	46.75	48.63	1.00	2.10	50.13	36.75	.16	-.11	-.12	-1.52	3.34	.48	F	16.8	28.0	13.0	14.6	1.20	2.5	01-09-85	3104.0	402.6	1.9	4.00	11.71
Am Home Prod	AHP	59.00	56.25	57.00	.38	.66	59.00	46.75	.15	.04	-.22	21.29	4.76	.76	F	19.0	18.0	16.3	12.0	2.90	5.1	02-06-85	4485.5	732.1	3.0	.00	13.14
Baxter Travenol	BAX	15.25	14.00	14.88	.50	3.48	18.63	11.75	-.06	.00	-.66	-22.16	.21	-1.33	F	-86.4	-3.0	1.6	70.8	.37	2.5	03-13-85	1800.4	29.1	1.7	1.60	8.17
Block Drugs Co	BLOCA	30.50	30.50	30.50	.00	.00	31.25	24.28	.02	.41	-.26	48.89	3.18	.26	N	8.4	14.0	10.0	9.1	1.00	3.3	02-25-85	238.2	23.9	2.3	2.34	20.08
Bolar Pharm	BLR	37.50	32.13	34.63	2.50	7.78	37.50	22.50	.62	.63	-.15	39.88	1.15	.18	N	18.8	69.0	19.2	30.4	.05	.1	02-08-85	25.5	4.9	4.9	.00	4.76
Bristol-Myers	BMY	56.63	53.38	55.00	.88	1.62	56.63	43.00	.05	.10	.79	35.99	3.45	.45	F	15.0	20.0	11.3	15.9	2.00	3.6	12-28-84	4189.4	472.4	2.4	.71	13.99
Carter-Wallace	CAR	34.13	30.50	32.38	1.25	4.02	34.50	19.38	.37	.26	-5.38	-38.98	2.37	.31	N	13.4	32.0	5.7	12.4	.52	1.6	02-04-85	323.1	18.4	2.4	1.69	21.87
Cooper Labs	COO	15.75	14.50	14.75	-1.13	-7.09	27.00	10.38	-.03	-.09	-1.79	-10.34	-.12	-.63	F	-100.0	NC	-1.3	NE	.00	.0	03-12-84	155.9	-2.0	1.6	.61	11.81
Forest Labs	FRX	21.25	17.38	20.00	2.13	11.89	24.38	11.25	.17	-.06	3.19	41.37	.54	.03	N	5.6	50.0	14.8	35.1	.00	.0	01-14-83	19.6	2.9	8.3	.28	5.42
ICN Pharm	ICN	10.25	9.25	10.13	.13	1.25	11.38	5.75	-.32	-.06	-1.67	18.36	.22	-.11	N	-44.0	41.0	5.1	72.3	.00	.0	00-00-00	37.0	1.9	4.3	.20	4.34
Key Pharm	KPH	11.38	10.25	10.50	-.25	-2.33	17.25	8.00	.03	.06	-4.23	2.74	.61	.10	F	19.6	106.0	14.6	17.2	.20	1.9	03-11-85	151.1	22.1	2.1	1.16	1.67
Lilly Eli Co	LLY	79.00	75.00	78.13	2.13	2.80	79.00	53.00	.36	.20	2.30	3.54	6.13	.79	N	13.5	12.0	15.1	11.7	3.20	4.1	02-08-85	3033.7	457.4	1.9	1.23	28.86
Lee Pharm	LPH	7.88	5.50	6.75	-.63	-8.47	9.63	2.13	.83	2.41	-6.00	-26.41	.13	.52	Q	NE	16.0	6.2	32.1	.00	.0	00-00-00	8.1	.5	3.0	.20	1.73
Marion Labs	MKC	60.00	52.50	58.25	4.25	7.87	60.00	30.50	.63	.89	-.08	11.39	1.24	.49	S	48.0	59.0	10.6	38.6	.52	.9	03-14-85	226.4	24.1	2.4	.04	7.05
Merck & Co	MRK	101.25	97.63	99.38	1.00	1.02	101.25	78.25	.17	.38	.24	-10.61	6.71	.61	F	10.0	6.0	13.8	14.8	3.20	3.2	02-28-85	3559.7	493.0	1.7	5.21	32.92
Morton Thiokol	MTI	30.50	28.63	29.63	.50	1.72	31.38	21.34	-.05	1.02	-1.54	-35.41	2.16	.39	S	20.3	25.0	5.5	12.8	.64	2.2	02-22-85	2001.5	109.8	1.5	2.94	12.50
Mylan Labs	MYLN	18.50	16.75	17.75	.25	1.43	18.50	5.50	.47	-.65	-3.36	10.09	.20	.11	N	36.7	121.0	12.7	43.3	.05	.3	02-19-85	36.9	4.7	5.4	.10	.76
Newport Pharm	NWPH	6.00	5.50	5.75	-.25	-4.17	7.25	2.75	-.20	-.49	-3.42	-12.78	-.21	-.58	S	-100.0	-37.0	-26.0	NE	.00	.0	00-00-00	7.7	-2.0	2.6	.22	.93
Pfizer Inc	PFE	42.25	37.63	39.63	1.25	3.26	42.38	29.38	.01	-.46	1.37	4.59	3.08	.35	F	12.8	21.0	13.2	12.9	1.48	3.7	01-28-85	3854.5	507.9	2.1	3.03	13.67
Reid Prov Labs	REID	5.00	4.50	4.50	-.50	-10.00	5.25	2.75	-.17	-1.72	-.87	-22.34	.12	-.04	S	-25.0	99.0	6.7	37.5	.04	.9	12-10-84	13.4	.9	3.1	.02	.92
Robins, AH	RAH	23.50	20.88	21.38	-2.00	-8.56	24.38	12.00	.12	-.57	-2.00	-19.47	2.40	-.98	N	-41.4	9.0	10.3	15.4	.76	3.6	11-19-84	563.5	58.2	3.2	1.36	14.69
Rorer Group	ROR	31.00	29.00	30.00	-.13	-.41	34.13	24.00	.31	.25	.51	2.03	2.08	.06	F	3.0	5.0	8.5	14.4	1.12	3.7	02-04-85	522.1	44.3	2.0	2.18	10.43
Scherer RP Co	SCHC	10.75	9.88	10.25	-.50	-4.65	14.50	8.63	-.66	-.06	4.44	31.33	.52	-.29	S	-36.3	-5.0	2.3	20.1	.32	3.1	12-12-84	171.7	4.0	1.9	4.83	11.14
Searle, GD	SRL	58.50	56.50	57.00	.25	.44	65.50	37.50	-.18	.40	-5.70	4.37	3.24	.20	F	6.6	19.0	13.0	17.6	.52	.9	02-04-85	1245.8	161.6	2.4	3.62	14.85
Squibb Corp	SQB	54.38	51.13	52.38	.63	1.21	55.25	37.50	-.07	-.32	-.84	-21.79	3.31	.37	N	11.6	10.0	9.8	14.7	1.60	3.1	02-08-85	1768.9	173.3	2.4	3.86	23.24
Sterling Drug	STY	29.25	27.25	28.63	.63	2.23	30.00	23.75	.08	.27	3.82	-14.41	2.37	.13	F	5.8	5.0	7.8	12.1	1.16	4.1	02-07-85	1827.3	143.4	2.7	1.44	14.96
Syntex Corp	SYN	59.25	54.13	55.25	.25	.45	59.25	37.75	.27	-.38	1.19	-12.20	4.08	-.45	Q	-10.1	22.0	14.7	13.8	1.92	3.5	02-08-85	916.5	134.6	2.1	5.36	18.81
Thompson Med	TM	18.38	16.75	17.00	-.38	-2.16	26.50	13.88	.04	-.65	1.00	74.34	2.20	.55	F	33.3	62.0	10.8	7.7	.40	2.4	12-19-84	197.2	21.2	3.2	.00	5.85
Upjohn Co	UPJ	77.00	73.00	76.38	2.38	3.21	77.00	45.00	.21	.38	1.03	38.40	5.67	.39	F	7.4	.0	8.0	13.5	2.56	3.4	01-04-85	2179.1	173.3	2.2	18.02	34.74
Warner-Lambrt	WLA	38.38	36.13	37.75	1.38	3.78	38.38	28.75	.05	.29	-.23	2.34	2.81	.30	F	12.0	5.0	7.1	13.4	1.48	3.9	02-04-85	3166.7	223.9	1.9	7.53	17.75
Zenith Labs	ZENI	31.00	27.75	30.50	2.25	7.96	31.00	12.00	.90	-.01	.41	-10.03	.73	-.26	N	-31.7	58.0	7.8	54.5	.00	.0	00-00-00	32.1	2.5	4.6	1.12	5.12

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes: NA - Not Applicable; NC - Not Calculable; NE - Negative Earnings; NM - No Meaningful Figure; Q - First Quarter; S - First 6 Months; N - First 9 Months; F - Fiscal Year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

Best-selling OTC's

Special report

The Top 10 fastest-moving OTC's in unit sales

Cough/cold dominates Top 100 OTC list

Approximately one-third of the Top 100 over-the-counter products moved through chain drug stores last year were items used to treat coughs and colds.

Because of their heavy concentration in the Top 100 unit listing, cough/cold products also accounted for the highest dollar sales and gross profit dollars.

That was one finding of *Drug Store News*' 2nd Annual Study of Best-Selling OTC's. The study is based on 1984 warehouse withdrawal data provided by a number of chains and weighted to account for regional variations.

The study found that analgesics closely followed cough/cold on the Top 100 list, with 25% of the places. Analgesics also accounted for 23% of the Top 100 dollar products and 20% of the leading profit producers.

The battle for third place in unit movement was won by the antacids, though fourth-place eye care category recorded higher dollar sales and gross margin dollars. Antacids won 15% of the Top 100 places in unit movement, while eye care products—primarily contact lens solutions—came in with 9% of the top positions.

The lower dollar sales and profit dollars of antacids relative to eye care was due mainly to the competitive nature and lower price points of that category.

In the eye care category, consumers rely heavily on doctors' recommendations and remain brand loyal. Price, therefore, is not as big a factor as it is in some other categories, where there's a higher degree of consumer switching.

This year's survey found several products introduced to the Top 100 lists.

They included Jeffrey Martin's Doan's Pills, Whitehall's Advil tablets, Block's B.C. headache powders, Thompson Medical's newest diet aid, Slim-Fast, Ciba's Acutrim and Coopervision's Pliagel and Unisol.

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2nd annual best-selling OTC study

10 highest volume OTC's (dollar sales)

1 Slim-Fast powder: chocolate, 16 oz.
2 Centrum tabs, 100 + 30
3 Slim-Fast powder: vanilla, 16 oz.
4 Anacin tabs, 100's
5 Actifed tabs, 24's
6 NyQuil, 10 oz.
7 Drixoral tabs, 20's
8 NyQuil, 6 oz.
9 Theragran M, 100 + 30
10 Tylenol Extra-Strength tabs, 100's

Source: *Drug Store News* survey

10 most profitable OTC's (gross margin dollars)

1 Slim-Fast powder: chocolate, 16 oz.
2 Slim-Fast powder: vanilla, 16 oz.
3 Mylanta liquid, 12 oz.
4 Allergan cleaner refill, 24 tabs
5 Theragran M, 100 + 30
6 NyQuil, 10 oz.
7 Actifed tabs, 24's
8 Tylenol Extra-Strength tabs, 60's
9 Tylenol Extra-Strength caps, 50's
10 Centrum, 100 + 30

Source: *Drug Store News* survey

10 fastest moving OTC's (unit sales)

1 Fleet enema, ½ oz.
2 Chapstick reg.
3 Bayer aspirin, 100's
4 Visine eye drops, ½ oz.
5 Mylanta liquid, 12 oz.
6 Actifed tab, 12's
7 Slim-Fast Powder: chocolate, 16 oz.
8 NyQuil 6 oz.
9 Anacin tabs, 100's
10 Actifed tabs, 24's

Source: *Drug Store News* survey